



**Sean Rogan**  
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION  
of the County of Los Angeles**

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**Gloria Molina  
Mark Ridley-Thomas  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich**  
Commissioners

November 20, 2012

**ADOPTED**

Community Development Commission

The Honorable Board of Commissioners  
Community Development Commission  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

2-D November 20, 2012

*Sachi A. Hamai*  
**SACHI A. HAMAI**  
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE CONTRACT WITH LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST -  
PROPOSITION 10 COMMISSION FOR ISSUANCE OF A NOTICE OF FUNDING AVAILABILITY  
AND ADMINISTRATION OF FIRST 5 LA FUNDS  
(ALL DISTRICTS) (3 VOTE)**

**SUBJECT**

This letter recommends approval of a five-year contract between Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA) and the Community Development Commission (CDC). CDC issued a Notice of Funding Availability (NOFA) on behalf of First 5 LA making available approximately \$23,000,000 for housing and supportive services for targeted families in Los Angeles County, and will administer First 5 LA's permanent supportive housing program.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Executive Director or his designee to execute, amend, and if necessary, terminate a Contract and any related documents with First 5 LA for the issuance of a NOFA for Supportive Housing for Homeless Families, and the administration of First 5 LA's permanent supportive housing program, effective from July 26, 2012 to November 30, 2017.
2. Authorize the Executive Director or his designee to execute all required documents necessary to accept and incorporate into the CDC's Fiscal Year 2012-2013 approved budget up to \$24,850,000, of which \$22,650,000 will be allocated to awarded projects and \$2,200,000 will be retained by CDC for program administration costs.
3. Find that approval of the Contract is not subject to the provisions of the California Environmental

Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The proposed actions will allow CDC to develop permanent supportive housing and related services for First 5 LA through the issuance of a NOFA and the administration of First 5 LA's permanent supportive housing program. CDC will negotiate and execute Loan and Grant Agreements and all related documents with developers selected through the NOFA process. The permanent supportive housing program will benefit families that are homeless or at-risk of homelessness and who have had involvement with the child welfare system, by helping them to gain self-sufficiency skills to enable them to remain stably housed and reduce child welfare system involvement.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County General Fund. The Contract will be funded with Proposition 10 funds allocated by First 5 LA. A total of \$24,850,000 is being transferred to CDC for the administration of the program. A portion of these funds, in the amount of \$2,200,000, is being set aside to cover CDC administrative costs for services provided to First 5 LA. A total of up to \$22,650,000 will be allocated to permanent supportive housing and rental assistance projects selected through the NOFA process.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

First 5 LA was established in 1998 after California voters approved Proposition 10, an effort to fund health, safety and early education programs for children prenatal to age 5 through revenue from tax on tobacco products. A local commission was created in each of California's 58 counties to administer Proposition 10 funds, which are allocated based on each county's birth rate. First 5 LA's mission is to increase the number of Los Angeles County children, prenatal to 5 years old, who are physically and emotionally healthy, ready to learn, and safe from harm. First 5 LA views stable housing as a key factor in accomplishing this mission.

On July 12, 2012, First 5 LA approved a one-time allocation of \$25,000,000 to be used to provide permanent supportive housing and related services for families that are homeless or at-risk of homelessness and who have had involvement with the child welfare system, and that include children aged prenatal to 5 years.

On July 26, 2012, CDC began providing technical assistance to First 5 LA regarding the development of a NOFA for homeless and at-risk children and families. First 5 LA determined that the critical housing need for homeless families and those at-risk of homelessness would be well served by working with CDC.

Because of CDC's extensive expertise in conducting NOFAs and managing contracts and performance with affordable housing developers and supportive service providers, First 5 LA selected CDC to issue the NOFA, making available approximately \$23,000,000 to provide housing and supportive services for targeted families throughout the County. Under the proposed Contract between CDC and First 5 LA, CDC would administer the permanent supportive housing program from proposal stage to ongoing monitoring of development projects awarded funds.

On September 14, 2012, CDC released the First 5 LA Supportive Housing for Homeless Families

Fund NOFA with applications due by October 19, 2012. The NOFA process is ongoing and awardees have not yet been determined. Eligible projects may involve acquisition, new construction, rehabilitation, supportive services, and rental assistance for targeted families. On November 29, 2012, First 5 LA is expected to determine and award funding to various permanent supportive housing and rental assistance projects.

Applicants must demonstrate that First 5 LA funds will be leveraged with other sources of public and private funding. An aggressive implementation schedule has been sought to allow applicants to maximize these leveraging opportunities, including meeting the California Tax Credit Allocation Committee deadline in March 2013.

Once First 5 LA has determined the funding awards, CDC will begin the administration of the funds, including providing quarterly and annual reports, negotiating loan agreements, underwriting, and construction monitoring.

First 5 LA has agreed to reimburse CDC for costs incurred during the initial technical assistance phase. Therefore, the Contract effective date has been set at July 26, 2012. The Contract has been approved as to form by County Counsel and is attached in substantially final form.

#### **ENVIRONMENTAL DOCUMENTATION**

These actions are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

A report prepared by First 5 LA Commission staff in June 2012 concluded that on any given night, at least 3,000 children under the age of 5 in Los Angeles County are homeless. They live with their families in shelters, transitional housing, on the street, or in other places not fit for human habitation. Many of these children's mothers/families were involved in our child welfare system. Targeted housing and services for parents involved in the child welfare system can help communities break the cycle of child abuse and homelessness among families with diverse needs. Approval of the recommended actions will ensure that additional housing resources are available to homeless families with children prenatal to 5 years.

The Honorable Board of Supervisors  
11/20/2012  
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN  
Executive Director

SR:bdc

Enclosures

# **CONTRACTOR**

## **COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES**

**Contract No. 08335**

## CONTRACT

This Contract, made and entered into on this 26<sup>th</sup> day of July, 2012, by and between the LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION (aka FIRST 5 LA) whose address is 750 North Alameda Street, Third Floor, Los Angeles, California 90012, hereinafter referred to as the "COMMISSION" and the Community Development Commission of the County of Los Angeles whose address is 700 West Main Street, Alhambra, CA 91801 hereinafter referred to as the "CONTRACTOR." All of CONTRACTOR'S activities and services to be provided hereunder will support the COMMISSION'S strategic plan efforts and will be coordinated and overseen by COMMISSION staff as designated below.

### I. SCOPE OF WORK

1. The CONTRACTOR shall administer, monitor and report on the COMMISSION's Supportive Housing for Homeless Families Initiative (the "Project") pursuant to the statement of purpose, timeline, schedule of activities, and deliverables as set forth and described in the Scope of Work, which is attached and incorporated herein as **Exhibit A**. CONTRACTOR is to execute the work in order to ensure that the deliverables are met on time and on budget for the COMMISSION. The COMMISSION reserves the right to amend the Scope of Work throughout the contract period. Specifically, and as described in Exhibit A, the COMMISSION authorizes and delegates to the CONTRACTOR the authority to act on the COMMISSION's behalf in contracting, holding and accounting for funds, disbursing funds, monitoring contract compliance and reporting on the Project including, without limitation, Authorizing the Executive Director of the CONTRACTOR to negotiate Loan and Grant Agreements with the affordable housing developers and service providers selected by the COMMISSION for the purposes described in Exhibit A, and authorizing the Executive Director of the CONTRACTOR to execute the Loan Agreements, Grant Agreements and all related documents necessary for the Project, following approval as to form by County Counsel.
2. CONTRACTOR shall utilize its standard agreements for any contracts entered into for the development of Supportive Housing for Homeless Families or services for the Project. Said standard agreements shall include language related to one hundred percent payment and performance bonds, indemnification of the COMMISSION, provision of insurance, and the payment of prevailing wages.

## II. SCOPE OF ENGAGEMENT

Any services other than those noted in this Contract shall require a new COMMISSION-CONTRACTOR Contract or an amendment to this Contract. CONTRACTOR shall act at all times as an independent CONTRACTOR and this Contract shall not be deemed to create any form of partnership, joint venture or employment relationship between or among the COMMISSION and the CONTRACTOR, nor shall either party be in any way liable for any debt of the other. This Contract is non-assignable.

## III. TERM OF CONTRACT

The term of this Contract will be July 26, 2012, “**effective date**” through November 30, 2017 “**termination date**” unless either party gives prior written notice of earlier termination. This Contract shall expire without further notice on November 30, 2017.

## IV. BUDGET and FUNDS

The Budget and Budget Narrative for the CONTRACTOR are attached as **Exhibit B, incorporated herein by reference** and form an integral part of this Contract.

The CONTRACTOR shall receive from the COMMISSION **TWENTY-FOUR MILLION, EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$24,850,000)** for disbursement pursuant to the terms and conditions for payment set forth herein.

Thirteen Million, Three Hundred Twenty-Five Thousand Dollars (\$13,325,000) will be disbursed by the CONTRACTOR for capital expenditures for construction, acquisition and rehabilitation of permanent supportive housing and related services for families that are homeless or at-risk of homelessness that have had involvement with the child welfare system, and that include children aged prenatal to 5 years.

Nine Million, Three Hundred Twenty-Five Thousand Dollars (\$9,325,000) will be disbursed by the CONTRACTOR for rental assistance and related supportive services to support a rapid rehousing approach for families that are homeless or at-risk of homelessness that have had involvement with the child welfare system, and that include children aged prenatal to 5 years.

Two Million, Two Hundred Thousand Dollars (\$2,200,000) will be retained by the CONTRACTOR for its administrative costs for the entirety of the term of this Contract.

The CONTRACTOR shall maintain the funds in the Total Approved Budget in a separate interest-bearing account through which interest on funds in the account shall be solely restricted and accrued to the benefit of the capital and rental assistance projects funded or to further the COMMISSION objectives stated herein.

Any funds received by the CONTRACTOR in the form of residual receipts payments on capital loans shall also be placed in said interest-bearing account.

## **V. EXPENDITURES BY CONTRACTOR**

- A. All CONTRACTOR expenditures shall be in accordance with the approved budget.
- B. Budget modifications will be required if the budgeted amounts noted in Section IV. Budget will change. CONTRACTOR will advise COMMISSION and obtain written approval on ALL budget modifications PRIOR to incurring any costs.
- C. Budget modifications must be addressed and sent to the assigned Commission staff with the appropriate "Budget Modification Summary" forms and the Commission staff will ensure that these modifications are processed within a timely manner.
- D. Approval of any budget modification will be contingent on the timely review and submission of the required documentation by the CONTRACTOR. . CONTRACTOR must submit the written request one (1) month prior to the requested effective date of such modification.
- E. CONTRACTOR will advise COMMISSION and obtain written approval on ALL budget modifications PRIOR to incurring any costs.
- F. In the event COMMISSION reasonably believes CONTRACTOR has been overpaid, or in the event CONTRACTOR fails to timely submit the documents required pursuant to this Contract, COMMISSION may seek a financial accounting and avail itself of all legal remedies to seek compliance and the repayment of any amounts overpaid.
- G. All payments by COMMISSION to CONTRACTOR under this Agreement are restricted for use in the performance of CONTRACTOR'S approved Scope of Work set forth in Exhibit A, and shall be used only to supplement existing levels of service and not to fund existing levels of service.
- H. Any purchases under the Equipment cost category/line item in Exhibit B must be completed in year one of the contract. Any exceptions will require prior notification by the CONTRACTOR to the COMMISSION and may be approved only at the discretion of the COMMISSION.



- I. Any expenses under Space and Telephone cost categories/line items of the budget (Exhibit B) shall be calculated based on a standard formula which uses a reasonable allocation methodology. The formula used will be reviewed by the COMMISSION for final approval.
- J. In no event shall CONTRACTOR or its officers, employees, agents, subcontractors or assignees supplant state, county, local or other governmental General Fund money with COMMISSION funds for any purpose.

## **VI. EXHIBITS**

Exhibits A through C, and G as described below, are attached to and form an integral part of this Contract and are hereby incorporated by reference. Exhibit D, E and F (as applicable) will be completed by the CONTRACTOR at later dates and forwarded to the COMMISSION on the designated due dates, as determined by the COMMISSION.

In the event of any conflict in the definition or interpretation of any word, responsibility, service, schedule, or contents of a deliverable product between the Contract and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving precedence first to this Contract, and then to the Exhibits according to the following priority:

Exhibit A SCOPE OF WORK

Exhibit B BUDGET FORMS

Exhibit C ALL DOCUMENTS IN REQUIRED DOCUMENTS LIST

Exhibit D Reserved

Exhibit E PRELIMINARY REPORT(S)

Exhibit F FINAL REPORT

Exhibit G COMPLIANCE GUIDELINES

This Contract and the Exhibits hereto, together with the CONTRACTOR'S proposal constitute the complete and exclusive statement of understanding between the parties that supersedes all previous Contracts, written or oral, and all other communications between the parties relating to the subject matter of this Contract. The Exhibits form an integral part of this Contract, and are hereby incorporated by reference. No amendment, promise, or Contract

between the parties is valid unless the same is in writing executed by both parties.

## **VII. COMMISSION OBJECTIVES**

### Vision

First 5 LA is committed to creating a future throughout Los Angeles' diverse communities where all young children are born healthy and raised in a loving and nurturing environment so that they grow up healthy, are eager to learn and reach their full potential.

### Mission

First 5 LA will work to make significant and measurable progress towards this vision by increasing the number of children from prenatal through age five who are physically and emotionally healthy, safe and ready to learn.

### Values

The COMMISSION intends to fulfill our vision and mission by shaping our efforts around five core values:

1. Families: We acknowledge and amplify the voice of families so that they have the information, resources and opportunities to raise their children successfully.
2. Communities: We strengthen communities by enhancing their ability to support families.
3. Results Focus: We are accountable for defining results for young children and for our success in achieving them.
4. Learning: We are open to new ideas and modify our approaches based on what we learn.
5. Advocacy: We use our unique role to build public support for policies and programs that benefit children prenatal through age five and their families.

### Role of the Commission

First 5 LA will continue to serve the following roles:

1. Community Partner: We operate as a community partner to complement, build, and strengthen the efforts and activities of others to have a greater impact on the lives of children and families.
2. Trendsetter and Leader: We serve as a trendsetter and leader that identifies, funds and replicates innovation, as well as proven solutions to long-standing problems that affect children and families.
3. Change Agent: We serve as a change agent to help mobilize the broader community to advocate for expectant parents, young children, and their families.
4. Convener and Facilitator: We serve as a convener and facilitator to bring together individuals, agencies and organizations with common goals.
5. Catalyst: We serve as a catalyst to promote the sustainability of effective programs for young children and their families.

## **VIII. AMENDMENTS**

Any agreements which in any way change the terms of this Contract shall be valid only if the requested change is made in writing and approved by authorized representatives of the CONTRACTOR and the COMMISSION. Approval of any amendment will be contingent on the timely review and submission of the required documentation by the CONTRACTOR.

Notwithstanding the above, it is anticipated that the budgeted amounts associated with their uses stated in Section IV. Budget and Funds shall be administratively modified as a result of the applications scoring and the action to award contracts by the COMMISSION on November 29, 2012.

## **IX. INDEPENDENT CONTRACTOR**

The COMMISSION shall not be responsible for withholding taxes with respect to the CONTRACTOR compensation hereunder. The CONTRACTOR shall have no claim against the COMMISSION hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.

## **X. SUBCONTRACTORS**

COMMISSION approves CONTRACTOR'S use of subcontractors to carry out its obligations under this Contract as specified in Exhibit A.

No performance of this Contract or any portion may be assigned by CONTRACTOR without the written consent of the COMMISSION. Any attempt by the CONTRACTOR to assign performance of any of the terms of this Contract, in whole or in part, without said consent shall be null and void and shall constitute a breach of the terms of this Contract. In the event of such a breach, this Contract may be terminated. CONTRACTOR shall submit a list of subcontractors to the COMMISSION for written approval prior to subcontractor performing any work hereunder.

A function proposed by CONTRACTOR may be carried out under subcontracts; however, CONTRACTOR may not delegate its duties or obligations, nor assign its rights hereunder, either in whole or in part, without the prior written consent of COMMISSION, or their designee. Any such attempt at delegation or

assignment without prior written consent shall be void. No subcontract shall alter in any way any legal responsibility of CONTRACTOR to COMMISSION.

The subcontractors administrative cost shall be limited to 10% to offset the cost of project management and monitoring as deemed necessary and appropriate by the CONTRACTOR.

## **XI. PROPRIETARY RIGHTS**

CONTRACTOR agrees and acknowledges that its work pursuant to this Contract is, at COMMISSION'S direction, strictly limited to the scope of work identified in Exhibit A. In that regard, the following limitations shall apply to CONTRACTOR'S future use of data and information collected, in the implementation of Exhibit A, by CONTRACTOR during the course of its work for COMMISSION, in addition to any other conditions and limitations imposed by this Contract:

- A. All data and information collected by CONTRACTOR during the course of this project, in whatever form, shall be the joint property of the COMMISSION and CONTRACTOR. CONTRACTOR shall maintain said data and information on behalf of the COMMISSION in form and substance consistent with accepted research practices throughout the course of this Contract. Research findings and results generated from the data may be used internally by the COMMISSION for planning purposes prior to publication by the CONTRACTOR. The COMMISSION will not disseminate any data beyond its internal staff without the consent of the CONTRACTOR.
- B. The CONTRACTOR shall provide data to the COMMISSION at time intervals determined by the COMMISSION and CONTRACTOR to be appropriate for the work of the project.
- C. Both the CONTRACTOR and the COMMISSION shall implement and comply with adequate procedures to maintain the confidentiality of data and information collected pursuant to the Contract. Any raw data collected by the CONTRACTOR will be provided to the COMMISSION only after individual identifiers (with the exemption of zip codes) have been removed from the raw data. CONTRACTOR shall be responsible for complying with all applicable state and federal laws governing the gathering, use, and protection of personal information.
- D. For any data gathering, informed consents shall be obtained and the CONTRACTOR is responsible for fulfilling any requirements pertaining to

and in compliance with HIPAA and an Institutional Review Board for Human Subjects Protection.

- E. At the conclusion of CONTRACTOR'S work, whether through expiration or termination of this Contract, CONTRACTOR shall provide to the COMMISSION a copy of all data and information collected, along with all required reports in the following format: all original data and reports must be submitted in hard copy and electronic format within 30 days after expiration or termination to the Chief Executive Officer of the Los Angeles County Children and Families First - Proposition 10 Commission (aka First 5 LA) with copies sent to designated director.
- F. CONTRACTOR shall maintain notes, business records, and working papers on file for a period of not less than four (4) years following the termination or expiration of this Contract, and shall provide COMMISSION access to said records for inspection and copying upon seven (7) days written notice from COMMISSION. CONTRACTOR specifically agrees to comply with the California Public Records Act (Government Code Section 6250, *et seq.*) as directed or requested by COMMISSION.
- G. The timing, format, and manner of the dissemination of any data or information gathered pursuant to this Contract and any report of results, conclusions or recommendations prepared by CONTRACTOR shall be at the sole discretion of the COMMISSION. COMMISSION shall attribute the work to CONTRACTOR upon any such release.
- H. CONTRACTOR may not use the data and information collected pursuant to this Contract without the prior written consent of COMMISSION'S Chief Executive Officer or his designee. Such consent must be requested in writing, stating the specific purpose for which consent is being sought, not less than ten (10) working days in advance of any such use.
- I. If the CONTRACTOR uses any data from this project for a purpose that will result in profit or financial compensation to CONTRACTOR or any party related to CONTRACTOR, such fact must be disclosed in a written request for consent by CONTRACTOR and submitted to the COMMISSION. In such cases, COMMISSION shall have the right to enter into a royalty, licensing, or reimbursement Contract with CONTRACTOR, as appropriate, prior to giving its consent, to compensate or reimburse COMMISSION for the use of its data and information. COMMISSION shall not seek compensation or reimbursement for the permitted use of its data and information for purely academic or scientific

purposes. In published material arising out of academic or scientific activities, CONTRACTOR shall acknowledge the participation and funding with "Funded without endorsement, by First 5 LA" and shall provide the COMMISSION with two (2) copies of the published material.

- J. CONTRACTOR shall prominently display all First 5 LA supplied promotional materials, such as educational posters, banners, brochures and fliers at the project site(s). CONTRACTOR shall ensure that promotional material, activities, and publications developed in support of the funded project shall conform to the formatting requirements outlined in First 5 LA Style Guide which includes the appropriate display of the First 5 LA logo and the First 5 LA funding attribution.
- K. CONTRACTOR shall implement and comply with adequate procedures to maintain the confidentiality of data and information collected pursuant to this Contract.
- L. CONTRACTOR must maintain a record for each item of tangible real or personal property of a value in excess of five thousand dollars (\$5,000) acquired with First 5 LA funds pursuant to this Contract, which records shall include the model number, serial number, legal description (if applicable), cost, invoice or receipt, and date acquired.
- M. COMMISSION and CONTRACTOR agree that all personal property purchased with funds provided under this Contract shall become the property of the COMMISSION upon completion or termination of contract, unless otherwise determined by the COMMISSION.

This section is applicable to all subcontractors in the performance of their services under the Program.

## **XII. CONFLICT OF INTEREST**

It shall be the responsibility of CONTRACTOR to abide by conflict of interest laws and regulations applicable to the CONTRACTOR under California law. CONTRACTOR acknowledges that he/she/it is acting as a public official pursuant to this Contract and shall therefore avoid undertaking any activity or accepting any payment, employment or gift from any third party that could create a legal conflict of interest or the appearance of any such conflict. A conflict of interest exists when one has the opportunity to advance or protect one's own interest or private interest of others, with whom one has a relationship, in a way that is detrimental to the interest, or potentially harmful for the integrity or fundamental mission of the Commission. CONTRACTOR

shall maintain the confidentiality of any confidential information obtained from the COMMISSION during this Contract and shall not use such information for personal or commercial gain outside this Contract. By agreeing to this Contract and accepting financial compensation for services rendered hereunder, CONTRACTOR agrees that he/she/it may not subsequently solicit or accept employment or compensation under any program, grant or service that results from or arises out of the SUPPORTIVE HOUSING FOR HOMELESS FAMILIES PROJECT.

### **XIII. INFORMATION TECHNOLOGY REQUIREMENTS**

CONTRACTOR will be responsible for coordinating with COMMISSION'S Information Technology (IT) Department regarding the design, development, structure and implementation of the IT components, including all databases, documents and spreadsheets, applicable to its program. The following IT specifications are to be applied, as appropriate, in relation to the scope of CONTRACTOR'S program:

- A. Hardware and Software compatibility with industry hardware, software, & security standards to allow adequate compatibility with the COMMISSION'S infrastructure.
- B. Open Data Base Connectivity (ODBC) compliant for data collection and dissemination purposes.
- C. Ability to collect information at the client-level, as necessary.
- D. Compatibility and ability to aggregate information in multiple ways: by initiatives, geographic boundaries, service types, program outcomes, and COMMISSION outcomes.
- E. Ability to export to and import the data collected.

CONTRACTOR will provide timely notification to the COMMISSION on any major problem(s) with the CONTRACTOR'S financial system or hardware or software that may impact the funded project under this Contract.

### **XIV.INSURANCE**

Without limiting CONTRACTOR'S duty to indemnify COMMISSION during the term of this Contract, CONTRACTOR shall provide and maintain at its own expense the following programs of insurance throughout the term of this Contract. Such programs and evidence of insurance shall be issued by insurers admitted to conduct business in the State of California, with a minimum A.M. Best's rating of A: VII unless otherwise approved in writing as satisfactory to the COMMISSION. Certificates or other evidence of insurance coverage and copy(ies) of additional insured endorsement(s) and/or loss payee



endorsement(s), as applicable, shall be delivered to COMMISSION at the address specified in Section XXV **prior to the commencement of work** under this Contract. Each policy of insurance shall provide that coverage will not be materially modified, terminated, or non-renewed except after thirty (30) days prior written notice has been given to the COMMISSION.

Notwithstanding any other provisions of this Agreement, failure by CONTRACTOR to maintain the required insurance shall constitute a breach of this Contract and COMMISSION may immediately terminate or suspend this Contract as a result, or secure alternate insurance at CONTRACTOR'S expense. CONTRACTOR shall ensure that subcontractors comply with all insurance requirements described in this Section.

It is specifically agreed by the Parties that this Section XIV shall supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs this Section XIV. Nothing in this Contract is to be interpreted as limiting the application of insurance coverage as required herein. All insurance coverage and limits provided by CONTRACTOR and its subcontractors shall apply to the full extent of the available and applicable policies. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance policy. Specific reference to a given coverage feature is for purpose of clarification only and is not intended by any party to be all inclusive, or to the exclusion of any other coverage, or a waiver of any type.

CONTRACTOR'S liability insurance shall be primary and non-contributory. All coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion on any policy.

**"Los Angeles County Children and Families First – Proposition 10 Commission (or if abbreviated, LA Cty Prop 10 Commn.), its officers, agents, consultants and employees"** are to be included as additional insured with regard to liability and defense of claims arising from the operations and uses performed by or on behalf of the CONTRACTOR.

CONTRACTOR and subcontractors shall provide policies of liability insurance of at least the following coverages and limits:

A. Commercial General Liability Insurance

Such insurance shall be written on a commercial general liability form with minimum limits of one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) in the aggregate. Coverage may be on an occurrence or claims-made basis. If written on a Claims Made form, the CONTRACTOR must purchase an extended two-year reporting period commencing upon termination or cancellation of the insurance policy.

B. Business Auto Liability

Primary coverage shall be provided on ISA Business Auto Coverage forms for all owned, non-owned, and hired vehicles with a combined single limit of not less than one million dollars (\$1,000,000) per accident. Automobile physical damage shall be required on an actual cash value basis for comprehensive and collision coverage with maximum deductibles of \$1,000 each accident for those vehicles funded by this Contract and for which the COMMISSION has an ownership interest. The COMMISSION shall be named as Loss Payee, as their interest may appear.

C. Workers Compensation Insurance

Such insurance shall be in an amount and form to meet all applicable requirements of the Labor Code of the State of California.

D. Professional Liability Insurance

Such insurance shall cover liability arising from any error, omission, or negligent or wrongful act of CONTRACTOR or its employees, with a limit of liability of not less than one million dollars (\$1,000,000) per medical incident for medical malpractice liability, or of not less than one million dollars (\$1,000,000) per occurrence for all other types of professional liability. Only CONTRACTORS who have a professional liability exposure relating to the work performed for COMMISSION under the terms of this contract are required to provide evidence of Professional Liability coverage.

E. Property Insurance

Such insurance shall be required only in the event the Contract is providing funds for real property or personal property, including equipment and has an ownership interest in that property. Coverage on real and personal property shall be on a replacement cost basis, written on a Special Causes of Loss form including employee dishonesty coverage, with a deductible no greater than \$1,000 for each occurrence. COMMISSION shall be named as Loss Payee, as their interest may appear.

**F. Crime Coverage Insurance**

Such insurance shall be in the amount not less than twenty-five thousand dollars (\$25,000) covering against loss of money, securities, or other property referred to hereunder which may result from employee dishonesty, forgery or alteration, theft, disappearance and destruction, computer fraud, burglary and robbery. COMMISSION shall be named as Loss Payee, as their interest may appear.

**Evidence of Self Insurance**

Legally adequate evidence of self-insurance meeting the approval of the COMMISSION'S Chief Executive Officer may be substituted for any coverage required above. CONTRACTOR must submit a copy of the self-insured certificate issued by the State of California.

**XV. LIABILITY AND INDEMNIFICATION**

To the full extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless COMMISSION, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney fees incurred by CONTRACTOR, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever incurred in relation to, as a consequence of or arising out of or in any way attributable in whole or in part to CONTRACTOR'S performance of this Contract including, without limitation, matters of active or passive negligence on the part of the COMMISSION. This duty to indemnify and defend shall not extend to such losses, actions, or damages arising out of or caused by COMMISSION'S sole negligence as determined by a court of competent jurisdiction.

**XVI.ACCOUNTABILITY**

- A. The CONTRACTOR will work under the direction of the Chief Executive Officer of Los Angeles County Children and Families First – Proposition 10 Commission (aka First 5 LA) and/or designated departmental director(s) of Program Development, Best Start Communities, Community Investments, Policy, Contracts Compliance, Finance, Public Affairs, and/or Research and Evaluation to ensure appropriate documents and activities are in compliance. The CONTRACTOR shall copy all communications to designated director(s) and will deliver routine updates and check-ins

including preliminary reports (Exhibit E) and final reports (Exhibit F), over the course of this Contract period.

- B. The COMMISSION will make relevant, non-confidential and non-privileged information available and accessible to the CONTRACTOR in order to successfully complete the project.
- C. The CONTRACTOR will deliver all work and final products on time and on budget unless otherwise agreed upon in writing and in advance by COMMISSION and CONTRACTOR, with the highest degree of quality and service to the COMMISSION.
- D. Both CONTRACTOR and COMMISSION will conduct themselves and their work in an ethical manner with high integrity and respect for the individuals involved in this process.
- E. COMMISSION reserves the right to modify this CONTRACT and the programs and services provided by CONTRACTOR pursuant to this Contract based on the results of its evaluation(s) and review(s). In addition, COMMISSION may use the results of such evaluation(s) and review(s) in decisions regarding possible future funding, extension, or renewal of CONTRACTOR'S program and service. The evaluation(s) shall include, but are not limited to, Contract compliance and the effectiveness of program planning and implementation. COMMISSION at its sole discretion will conduct on-going assessments of the program and reserves the right to convert this Contract to a performance-based contract at any time throughout its duration, if COMMISSION deems it necessary for the attainment of the program/project deliverables and required results.
- F. CONTRACTOR is required to comply with Section 3410 of the Public Contracts Code which requires preference to United States-grown produce and United States-processed foods when there is a choice and it is economically feasible to do so.
- G. CONTRACTOR is required to comply with Chapter 3.5 Section 22150 Part 3 - Division 2 of the Public Contracts Code which requires the purchase of recycled products, instead of non-recycled products, whenever recycled products are available at the same or lesser total cost than non-recycled items. CONTRACTOR may give preference to suppliers of recycled products and may define the amount of this preference.

- H. CONTRACTOR is responsible for providing timely notification to the COMMISSION on any major changes to CONTRACTOR'S financial system that may impact the funded project or service under this Contract.
- I. CONTRACTOR is responsible for the timely notification to the COMMISSION on any material changes in the CONTRACTOR'S primary funding sources or overall organization funding that may impact the CONTRACTOR'S accountability on the funded project under this Contract.

## **XVII. INTERPRETATION AND JURISDICTION**

This Contract shall be interpreted pursuant to the laws of the State of California. CONTRACTOR expressly agrees that the jurisdiction and venue for any litigation or arbitration brought to enforce any term of this Contract shall be in state court in Los Angeles County, California, and CONTRACTOR hereby consents to such jurisdiction and venue.

**XVIII. COMPLIANCE WITH APPLICABLE LAWS**

CONTRACTOR shall conform to and abide by all Municipal, County, State of California and Federal laws and regulations, and ordinances licensing and accrediting authorities, insofar as the same or any of them are applicable. This includes standards of professional ethics governing the use of assessment tools, the provision of services via the Internet and telephone, and the dissemination of information and educational materials.

**XIX. PAYMENTS TERMS**

Upon execution of this Contract, the total amount of TWENTY FOUR MILLION, NINE HUNDRED THOUSAND DOLLARS (\$24,850,000) will be remitted to the CONTRACTOR within thirty [30] days. The funds will be held by the CONTRACTOR in an interest bearing account and accounted for under a separate fund and project number in the CONTRACTOR's accounting financial system. Quarterly disbursement, receipt, profit and loss statements will be sent to the COMMISSION for review within 30 days of each calendar quarter ending in March, September and December, and within 120 days of each Fiscal Year ending in June. Such funds disbursed to the CONTRACTOR by the COMMISSION shall be disbursed by the CONTRACTOR only for the Project grants and services approved by the COMMISSION and for no other purposes.

**XX. LIMITATION OF COMMISSION OBLIGATIONS DUE TO LACK OF FUNDS**

COMMISSION'S payment obligations pursuant to this Contract are payable solely from funds appropriated by COMMISSION for the purpose of this Contract. CONTRACTOR shall have no recourse to any other funds allocated to or by COMMISSION. CONTRACTOR acknowledges that the funding for this Contract is limited to the term of the Contract only, with no future funding promised or guaranteed.

The COMMISSION and the CONTRACTOR expressly agree that full funding for the Contract over the entire Term of Contract is contingent on the continuing collection of tax revenues pursuant to Proposition 10 and the continuing allocation of Los Angeles County's share of those revenues to the COMMISSION. In the event of any repeal, amendment, interpretation, or invalidation of any provision of Proposition 10 that has the effect of reducing or eliminating the COMMISSION'S receipt of Proposition 10 tax revenues, or any other unexpected material decline in the COMMISSION'S revenues, the

COMMISSION may reduce or eliminate funding for current or subsequent Contract years at a level that is generally proportionate to the reduction.

## **XXI. TERMINATION OF SERVICES**

Either party may terminate this Contract after providing thirty (30) days written notice to the other party at the address first set forth above. Upon such termination, only those documented, earned and unpaid fees and expenses earned by CONTRACTOR prior to such termination pursuant to the budget attached hereto as Exhibit B shall become due and payable. Any amount paid in advance to CONTRACTOR and not yet earned or disbursed for the Project shall be refunded to COMMISSION within thirty (30) calendar days of termination.

In the event, either party has violated any significant terms or conditions of this Contract and/or committed an act or offense which indicates a lack of business integrity or business dishonesty, the COMMISSION and/or CONTRACTOR shall immediately terminate this Contract.

## **XXII. ENTIRE UNDERSTANDING**

This document and the Exhibits which are hereby incorporated and referenced constitute the entire understanding and agreement of the parties, and any and all prior agreements, contracts, understandings, and representations are hereby terminated and cancelled in their entirety and are of no further force or effect. The provisions of this Contract shall govern over any inconsistent provisions contained in any exhibit hereto.

### XXIII. RECORDS AND AUDITS

COMMISSION reserves the right at any time during CONTRACTOR business hours at its discretion and upon reasonable notice to audit, examine records and require supporting documentation such as employee timesheets and invoices, to substantiate CONTRACTOR reported expenses and basic service level estimates of work completed.

### XXIV. NOTICES

Any notices, reports, or invoices required by this Contract shall be deemed received on: (a) the day of delivery if delivered by hand, email or overnight courier service during CONTRACTOR'S and COMMISSION'S regular business hours or by facsimile before or during CONTRACTOR'S regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, addressed as set forth below, or to such other addresses as the Parties may, from time to time, designate in writing.

#### Notices to CONTRACTOR

Notices will be sent to CONTRACTOR addressed as follows:

Cordé Carrillo	(323) 890-7205	Corde.carrillo@lacdc.org
Primary Contact Person	Telephone	E-mail
Susan Lawi-Ayad	(323) 890-7261	Susan.Lawi-Ayad@lacdc.org
Fiscal Contact Person	Telephone	E-mail
Community Development Commission of the County of Los Angeles		
CONTRACTOR Name		
700 W. Main Street, Alhambra, 91801 (as of Nov. 26, 2012)		
CONTRACTOR Address		

#### Notices to COMMISSION

Notices sent to COMMISSION shall be addressed as follows:

FIRST 5 LA  
Attention: Kim Belshé Executive Director  
750 North Alameda Street, Suite 300  
Los Angeles, California 90012



Notice of Delays

When either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of any provisions of this Contract, that party shall, within three (3) business days, give written notice, including relevant information, to the other party.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

**XXV. SIGNATURES**

In WITNESS WHEREOF, this Contract has been executed as of the date set forth above by the respective duly authorized signatories below.

**CONTRACTOR**

Agreed & Accepted

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Sean Rogan, Executive Director  
Community Development Commission of the  
County of Los Angeles

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Date

APPROVED AS TO FORM:

For John F. Krattli, County Counsel

By: \_\_\_\_\_  
Deputy

**COMMISSION**

Agreed & Accepted:

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Craig A. Steele  
Interim Chief Executive Officer  
Los Angeles County Children and Families First  
Proposition 10 Commission (aka First 5 LA)

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Date